

2009 LEGISLATIVE SUMMARY



COMMITTEE REPORT

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Arnold Schwarzenegger, Governor

CALIFORNIA ENERGY COMMISSION

Legislative and Intergovernmental Affairs Committee

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Governmental Affairs**

Jennifer Nelson
**Legislative Analyst
Governmental Affairs**

Emily Chisholm
**Legislative Analyst
Governmental Affairs**

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Front of the State Capitol Building (photo by:
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2009 Legislative Summary

Notice

Summaries of 2009 chaptered and vetoed energy-related bills can be found at <http://www.leginfo.ca.gov/bilinfo.html>.

Preface

The *2009 Legislative Summary* is intended as a tool to easily access information on 2009 energy-related bills. It provides information on energy-related bills that were chaptered or vetoed in 2009, the first year of the 2009-2010 Legislative Session.

The report is divided into two parts: energy-related bills, which were chaptered and those that were vetoed. Each section contains a Summary Table, followed by a Bill Abstract for each listed bill that summarizes the bill and its impact. In addition, there is an index at the back of the report that lists the chaptered and vetoed bills individually by major subject area and provides a page number for each bill.

Acknowledgements

The Office of Governmental Affairs would like to acknowledge the contributions of all those individuals who participated in the development of the 2009 bill analyses. We are especially grateful for the work of the Deputy Directors and the Legislative Coordinators in each division, who assisted our office by assuring the timely technical analyses by their divisions, coordinating the policy committee presentations and participating in the Energy Commission bill analysis process.

The 2009 Legislative Coordinators were:

- Electricity Supply Analysis: Deborah O'Choa
- Energy Efficiency and Renewables: Tracy Boggs
- Energy Facilities Siting: Joseph Merrill, Joseph Bubbico, Adrienne Snyder
- Energy Research and Development: Sandra Fromm
- Fuels and Transportation: Phil Dyer, Kevyn Piper
- Office of Chief Counsel: Jonathan Blees

In addition, there are several individuals who are designated subject matter experts and without their knowledge and expertise in commenting on certain bills, we could not provide the accurate information necessary to provide quality bill analyses. We would like to acknowledge those individuals who exceeded all expectations. Their contributions to the bill analyses are greatly appreciated.

2009 LEGISLATIVE SUMMARY

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ENERGY COMMISSION-RELATED BILLS

2009 Chaptered Legislation

Bill Number	Subject
AB 45 (Blakeslee) Chapter 404, Statutes of 2009	Distributed generation: small wind energy systems
AB 162 (Ruskin) Chapter 313, Statutes of 2009	Disclosure of sources of electrical generation
AB 210 (Hayashi) Chapter 89, Statutes of 2009	Green building standards
AB 262 (Bass) Chapter 227, Statutes of 2009	American Recovery and Reinvestment Plan: energy activities, programs, or projects
AB 474 (Blumenfield) Chapter 444, Statutes of 2009	Contractual assessments: water efficiency improvements
AB 531 (Saldana) Chapter 323, Statutes of 2009	Energy consumption data: disclosure
AB 758 (Skinner) Chapter 470, Statutes of 2009	Energy: energy audits
AB 920 (Huffman) Chapter 376, Statutes of 2009	Solar and wind distributed generation
AB 1031 (Blumenfield) Chapter 380, Statutes of 2009	Renewable energy resources
AB 1110 (Fuentes) Chapter 508, Statutes of 2009	Advanced electrical distributed generation technology
AB 1318 (V. Manuel Perez) Chapter 285, Statutes of 2009	South Coast Air Quality Management District: emission reduction credits: California Environmental Quality Act
AB 1351 (Blakeslee) Chapter 525, Statutes of 2009	Renewable energy resources
AB 1551 (Committee on Utilities and Commerce) Chapter 336, Statutes of 2009 <i>URGENT</i>	Energy: program eligibility and costs
ABX4 11 (Evans) Chapter 11, Statutes of 2009 <i>URGENT</i>	Public Resources
SB 17 (Padilla) Chapter 327, Statutes of 2009	Electricity: smart grid systems
SB 32 (Negrete McLeod) Chapter 328, Statutes of 2009	Renewable electric generation facilities
SB 412 (Kehoe) Chapter 182, Statutes of 2009	Electricity: self-generation incentive program
SB 488 (Pavley) Chapter 352, Statutes of 2009	Energy: energy usage information

2009 Chaptered Legislation (Cont'd)

Bill Number (Cont'd)	Subject (Cont'd)
SB 626 (Kehoe) Chapter 355, Statutes of 2009	Electrical infrastructure: plug-in hybrid and electric vehicles
SB 695 (Kehoe) Chapter 337, Statutes of 2009 <i>URGENT</i>	Energy: rates
SB 827 (Wright) Chapter 206, Statutes of 2009	South Coast Air Quality Management District: CEQA: permits
SBX3 13 (Alquist) Chapter 29, Statutes of 2009 <i>URGENT</i>	Domestic violence: funding from AB 118 program

NOTE: All bills are effective January 1, 2010, unless the bill has an urgency clause. Bills with an urgency clause take effect immediately upon enactment.

AB 45 (Blakeslee), Chapter 404, Statutes of 2009 - Distributed generation: small wind energy systems

Summary: This bill will allow local agencies and counties to adopt ordinances relating to the installation of small wind energy systems up to 50 kilowatt in size. The bill also requires the Energy Commission to collect county data and provide a report to the Assembly and Senate Committees on Local Government on the status of California's small wind generation programs, progress and recommendations on or before January 1, 2016.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Adds and repeals Article 2.11 (commencing with Section 65893), and repeals the heading of Article 2.11 (commencing with Section 65892.13), of Chapter 4 of Division 1 of Title 7 of the Government Code, relating to land use.

AB 162 (Ruskin), Chapter 313, Statutes of 2009 - Disclosure of sources of electrical generation

Summary: This bill will revise the utilities' disclosure of power sources to consumers and the Energy Commission, and streamline certain reporting requirements. The bill removes the Energy Commission's responsibility to calculate net system power, and to verify retail electricity suppliers' product claims for their generation mix. Instead, utilities will be required to make the information available on their website and provide their customers with the information annually, versus quarterly.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Sections 398.2, 398.4, and 398.5 of the Public Utilities Code, relating to electrical suppliers.

AB 210 (Hayashi), Chapter 89, Statutes of 2009 – Green building standards

Summary: This bill will require that any amendment to the State Building Code by a local government, including for green building standards, may only be adopted after the local agency determines that such changes "are reasonably necessary because of local climatic, geological, or topographical conditions."

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Sections 17958.5 and 18941.5 of the Health and Safety Code, relating to building standards.

AB 262 (Bass), Chapter 227, Statutes of 2009 - American Recovery and Reinvestment Plan: energy activities, programs, or projects

Summary: This bill will appropriate over \$113 million to the Energy Commission to use pursuant to the federal American Recovery and Reinvestment Act of 2009, for energy-related activities; states the legislative intent for the Energy Commission to make policy decisions that leverage and maximize the use of these dollars; and directs the Energy Commission to adhere to the principle of accountability while also adhering to existing state policies to promote energy efficiency.

Appropriation: The bill appropriates \$113,093,000 to the Energy Commission for expenditure consistent with the federal American Recovery and Reinvestment Act of 2009 and applicable provisions of state law, including the provisions of the bill.

Effective: January 1, 2010

Sections Affected: Amends Section 25450 of the Public Resources Code, relating to energy, and making an appropriation therefore.

AB 474 (Blumenfield), Chapter 444, Statutes of 2009 - Contractual assessments: water efficiency improvements

Summary: This bill will expand current law to allow the legislative body of a public agency to create benefit assessment districts within which authorized officials and property owners can enter into voluntary contractual assessments to finance the installation of water and energy efficiency improvements to real property.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 1102.6b of the Civil Code, and amends Sections 5898.12, 5898.14, 5898.20, 5898.21, 5898.22, 5898.24, 5898.28, and 5898.30 of, and adds Section 5898.31 to, the Streets and Highways Code, relating to contractual assessments.

AB 531 (Saldana), Chapter 323, Statutes of 2009 - Energy consumption data: disclosure

Summary: This bill will require that on and after January 1, 2009, electric and gas utilities maintain records of the energy consumption data of all non-residential buildings to which they provide service, and that the Energy Commission establish a schedule for non-residential building owners and operators to disclose their building's energy consumption for accounts in the United States Environmental Protection Agency's ENERGY STAR Portfolio Manager.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 25402.10 of the Public Resources Code, relating to energy.

AB 758 (Skinner), Chapter 470, Statutes of 2009 - Energy: energy audit

Summary: This bill will require the Energy Commission to establish a regulatory proceeding to develop and implement a comprehensive energy efficiency program for existing residential and non-residential buildings, as well as ensure that energy assessments or improvements do not affect the home purchasing process. In addition, the bill requires the California Public Utilities Commission to determine the ability of electrical corporations to provide energy efficiency financing and for publicly-owned utilities to conduct energy efficiency programs parallel with the Energy Commission's comprehensive program.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Adds Section 25943 to the Public Resources Code, and adds Sections 381.2 and 385.2 to the Public Utilities Code, relating to energy.

AB 920 (Huffman), Chapter 376, Statutes of 2009 - Solar and wind distributed generation

Summary: This bill will require electric distribution utilities and cooperatives to compensate eligible customer-generators, generating electricity with solar and wind energy systems, for any excess electricity they supply to the grid. The utilities and cooperatives will either provide a direct payment to the customer or credit the customer. This bill will also clarify that solar energy systems that are larger than is needed to serve a customer's on-site electricity needs, are still eligible for financial incentives under the California Solar Initiative and New Solar Homes Partnership, but may qualify for incentives for only that portion of the system's capacity needed to serve the customer's on-site needs.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 2827 of the Public Utilities Code, relating to energy.

AB 1031 (Blumenfield), Chapter 380, Statutes of 2009 - Renewable energy resources

Summary: This bill will allow community college, University of California, and California State University campuses to receive credit on their electric bill for power generated by a renewable energy facility by expanding the definition of “local government” as it relates to the California Solar Initiative.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 2830 of the Public Utilities Code, relating to energy.

AB 1110 (Fuentes), Chapter 508, Statutes of 2009 - Advanced electrical distributed generation technology

Summary: This bill will authorize the California Public Utilities Commission and the Air Resources Board to treat certain advanced distributed generation technologies as cogeneration, and make the limitations upon gas rates and surcharges to cogeneration applicable to the qualified advanced distributed generation technologies. This bill primarily targets incentivizing fuel cells utilizing combined heat and power technologies in California. While the Energy Commission does not administer incentive programs, it believes that this bill may help the state reach its goals targeting greenhouse gas reduction and combined heat and power efficiency, along with the Air Resources Board's goal to deploy 4,000 megawatt of new combined heat and power statewide by 2020.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 379.8 to the Public Utilities Code, relating to energy.

AB 1318 (V. Manuel Perez), Chapter 285, Statutes of 2009 - South Coast Air Quality Management District: emission reduction credits: CEQA

Summary: This bill will require the South Coast Air Quality Management District, upon making certain findings, to transfer air emission reduction credits from internal accounts to one qualifying power plant, CPV Sentinel, seeking a license from the Energy Commission.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Adds Section 39619.8 to, and adds and repeals Section 40440.14 of, the Health and Safety Code, and amends Section 21080 of the Public Resources Code, relating to the South Coast Air Quality Management District.

AB 1351 (Blakeslee), Chapter 525, Statutes of 2009 - Renewable energy resources

Summary: This bill will authorize a state board or agency to be the applicable entity to issue the Renewables Portfolio Standard certification, pursuant to the federal Clean Water Act, for out-of-state hydroelectric generating facilities that have increased their generation incrementally via energy efficiency. The bill also requires that a hydroelectric facility be owned by a retail seller or local publicly owned electric utility.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 399.12.5 of the Public Utilities Code, relating to energy.

AB 1551 (Committee on Utilities and Commerce), Chapter 336, Statutes of 2009 - Energy: program eligibility and costs

Summary: This bill will correct language that was codified last year that inadvertently restricted the size of all projects financed by the California Alternative Energy and Advanced Transportation Financing Authority. This bill also revises the definition of 'low-income residential housing' relating to eligibility requirements for the California Solar Initiative program. This bill contains an urgency clause and extends net-metering eligibility for fuel cells through January 1, 2014.

Appropriation: None.

Effective: October 11, 2009

Sections Affected: Amends Sections 26003 and 26011 of the Public Resources Code, and amends Sections 747, 2827.10, and 2852 of the Public Utilities Code, relating to energy.

ABX4 11 (Evans), Chapter 11, Statutes of 2009 - Budget Trailer Bill: Natural Resources

Summary: This bill will enact statutory changes to the Budget Act of 2009 relating to natural resources. The provisions of the bill impacting the Energy Commission will authorize the Energy Commission to award and disburse contracts, grants, and loans in an expeditious manner, using funds that the state receives from the federal American Recovery and Reinvestment Act of 2009 and subsequent federal acts for energy-related projects. This bill would also allow the Energy Conservation Assistance Account and Energy Efficiency and Conservation Block Grant programs to use funds from the Recovery Act and subsequent federal acts.

Appropriation: None.

Effective: July 28, 2009

Sections Affected: Amends Sections 25173.6, 25299.50.2, and 25404 of the Health and Safety Code, amends Sections 4464, 4475, 4475.5, 4799.04, 4799.12, 21191, 25218, 25414, 25415, 25416, 25420, 25450, 25450.1, 25450.2, 25450.3, and 48653 of, adds Sections 25422, 25450.4, and 25450.5 to, and adds Chapter 5.6 (commencing with Section 25460) and Chapter 5.7 (commencing with Section 25470) to Division 15 of, the Public Resources Code, amends Sections 5106 and 5108 of the Vehicle Code, and adds Sections 147 and 79424 to the Water Code, relating to public resources.

SB 17 (Padilla), Chapter 327, Statutes of 2009 - Electricity: smart grid systems

Summary: This bill will require the California Public Utilities Commission to develop a definition, standards and protocols for smart grid technologies, in consultation with the Energy Commission and the California Independent System Operator. The utilities will be required to submit deployment plans to the California Public Utilities Commission for their smart grid systems; and the California Public Utilities Commission, California Independent System Operator and the Energy Commission will evaluate the utilities smart grid efforts. Finally, the California Public Utilities Commission will report to the Governor and Legislature on the smart grid.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Adds Chapter 4 (commencing with Section 8360) to Division 4.1 of the Public Utilities Code, relating to electricity.

SB 32 (Negrete McLeod), Chapter 328, Statutes of 2009 - Renewable electric generation facilities

Summary: This bill will revise and expand the current feed-in tariff program for eligible renewable electric generation facilities.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 399.20 of, and to add Section 387.6 to, the Public Utilities Code, relating to energy.

SB 412 (Kehoe), Chapter 182, Statutes of 2009 - Electricity: self-generation incentive program

Summary: This bill will authorize the California Public Utilities Commission's to collect funds for the Self-Generation Incentive Program, as well as extend the administration of the program. Also, the California Public Utilities Commission, in consultation with the Air Resources Board, is required to determine what distributed energy resources are eligible for program incentives; and in the case of fossil fuel, add strict requirements for their operation.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 379.6 of the Public Utilities Code, relating to electricity.

SB 488 (Pavley), Chapter 352, Statutes of 2009 - Energy: energy usage information

Summary: This bill will require electric and gas utilities to disclose comparative energy usage program information to the California Public Utilities Commission and the Energy Commission; requires the two Commissions to evaluate net savings from such programs and from possible statewide expansion; requires the Energy Commission to include this information in statewide annual energy efficiency targets; and provides for transparency between the California Public Utilities Commission, the Energy Commission and the Legislature in regards to net energy savings from such behavioral programs.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Amends Section 25310 of the Public Resources Code, and adds and repeals Sections 715 and 9615.5 of the Public Utilities Code, relating to energy.

**SB 626 (Kehoe), Chapter 355, Statutes of 2009 - Electrical infrastructure:
plug-in hybrid and electric vehicles**

Summary: This bill will require the California Public Utilities Commission, in consultation with the Energy Commission, the Air Resources Board, electrical corporations, and the motor vehicle industry, to evaluate and implement policies relating to plug-in hybrid and electric vehicles and battery-electric vehicles, and adopt rules by July 1, 2011.

Appropriation: None.

Effective: January 1, 2010

Sections Affected: Adds Section 740.2 to the Public Utilities Code, relating to electrical infrastructure.

**SB 695 (Kehoe), Chapter 337, Statutes of 2009 - Electrical infrastructure:
plug-in hybrid and electric vehicles**

Summary: This bill will make several changes to programs and responsibilities administered by the California Public Utilities Commission including: allowing for increases in some residential electricity rates, increasing the ability of retail customers to purchase electricity directly from generators, prohibiting mandatory and default time-variant pricing, and making changes to existing energy efficiency programs. Customers would have the option to “opt-out” of a time-variant pricing rate at no additional cost, and no penalties for switching away from time-variant pricing options.

Appropriation: None.

Effective: October 11, 2009

Sections Affected: Amends Sections 327, 382, 739.1, and 747 of, and adds Sections 365.1, 739.9, 745, and 748 to, the Public Utilities Code, and amends Section 80110 of the Water Code, relating to energy.

SB 827 (Wright), Chapter 206, Statutes of 2009 - Electrical infrastructure: plug-in hybrid and electric vehicles

Summary: This bill will authorize the South Coast Air Quality Management District, notwithstanding a Superior Court decision, to issue emission reduction credits to "essential public services" and exempt facilities or equipment, except for an electrical generation facility, consistent with South Coast Air Quality Management District rules. The provisions in this bill will sunset on May 1, 2012.

Appropriation: None.

Effective: January 1, 2009

Sections Affected: Adds and repeals Section 40440.13 of the Health and Safety Code, relating to the South Coast Air Quality Management District.

SBX3 13 (Alquist), Chapter 29, Statutes of 2009 – Domestic violence: funding

Summary: This bill will require the Department of Finance to transfer \$16.3 million from the Alternative and Renewal Fuel and Vehicle Technology Fund to the General Fund as a loan to the California Emergency Management Agency to support domestic violence shelters for Fiscal Year 2009-10.

Appropriation: \$16.3 million is being taken from the Alternative and Renewal Fuel and Vehicle Technology Fund and given to the General Fund to support the California Emergency Management Agency for domestic violence shelters.

Effective: October 21, 2009

Sections Affected: Amends Section 124250 of, and repeals Section 124251 of, the Health and Safety Code, relating to domestic violence,

ENERGY COMMISSION-RELATED BILLS

2009 Vetoed Legislation

Bill Number	Subject
AB 3 (V. Manuel Perez)	Workforce development: Renewable Energy Workforce Readiness Initiative: local workforce investment boards
AB 21 (Krekorian)	Renewable energy resources
AB 42 (Blakeslee)	Electricity: Pacific Gas and Electric Company: seismic fault
AB 64 (Krekorian)	Energy: renewable energy resources: generation and transmission
AB 828 (Lieu)	Green building standards
AB 1006 (Buchanan)	State buildings: building locations: considerations
AB 1173 (Huffman)	Hazardous materials: fluorescent lamps: recycling
AB 1404 (De Leon)	California Global Warming Solutions Act of 2006: offsets
AB 1527 (Lieu)	Motor vehicle emission reduction projects
SB 14 (Simitian)	Utilities: renewable energy resources
SB 62 (Simitian)	Renewable energy resources
SB 279 (Hancock)	Local government: community facilities districts
SB 406 (DeSaulnier)	Land use: environmental quality

AB 3 (V. Manuel Perez) - Workforce development: Renewable Energy Workforce Readiness

Summary: This measure would have required the California Workforce Investment Board to establish a “Renewable Energy Workforce Readiness Initiative” to ensure green collar career placement and advancement opportunities within California’s renewable energy generation, manufacturing, construction, installation, maintenance and operation sectors. The California Workforce Investment Board would have been required to consult with the Green Collar Jobs Council, within the California Workforce Investment Board, to assist local workforce boards on how to establish green collar job programs. The initiative would have been funded from the federal Workforce Investment Act of 1998 and the American Recovery and Reinvestment Act of 2009, if available.

Governor’s Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 3 without my signature.

I fully support the intent of Assembly Bill 3 to train low-income workers, people adversely impacted by the recent historic recession, and disadvantaged members of our population for good paying occupations in the California emerging green economy. My Administration is currently working with the California Workforce Investment Board and its Green Collar Jobs Council (Council) toward these ends. At my direction, the Council's membership includes key stakeholders from education, labor, state agencies, private industry, economic development and philanthropic entities. I believe it is unnecessary to legislatively establish additional mandates on existing efforts to accomplish these objectives.

Sincerely,
Arnold Schwarzenegger

AB 21 (Krekorian) - Workforce development: Renewable energy resources

Summary: This bill was a clean-up measure to SB 14 (Simitian, 2009). This bill would have changed the date by which a utility must procure 20 percent eligible renewable resources from December 31, 2012, as stated in SB 14, to December 31, 2013. This bill was exactly the same as SB 62 (Simitian), which was also a clean-up bill.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 21 without my signature.

I support the intent of this and other measures to increase California's Renewable Portfolio Standard (RPS) target to 33% by 2020. However, as drafted this measure would make it more difficult and costly to achieve this very important goal.

As a world leader in climate change and renewable energy development, California needs a regional approach that provides streamlined regulatory processes and compliance flexibility that facilitate the timely construction of in-state resources. This legislative package does the opposite: adds new regulatory hurdles to permitting renewable resources in the state, at the same time limiting the importation of cost-effective renewable energy from other states in the West.

On November 17, 2008, I issued Executive Order S-14-08, which sets a target that all retail sellers of electricity shall serve 33% of their load with renewable energy by 2020.

On September 15, 2009, in order to keep us moving forward, I directed California Air Resources Board (CARB), in Executive Order S-21-09, to adopt regulations that increase procurement of renewable resources in furtherance of the Global Warming Solutions Act of 2006 (AB 32, Statutes of 2006) and its emission reduction goals.

The CARB's scoping document for the Global Warming Solutions Act of 2006 determined that achieving 33% RPS is a critical component in the fight against global warming. I expect CARB to complete the regulations implementing the 33% RPS by the fall of 2010.

I remain ready to sign legislation that codifies a workable 33% RPS mandate. California has a rare opportunity to champion the development of renewable energy and reduce greenhouse gas emissions in-state and beyond. We must seize the chance to lay the foundation for a regional effort that optimizes resources throughout the West at a lower cost to ratepayers.

Sincerely,
Arnold Schwarzenegger

AB 42 (Blakeslee) - Electricity: Pacific Gas and Electric Company: seismic fault

Summary: This bill would have required the Pacific Gas and Electric (PG&E) Company to conduct seismic studies on Diablo Canyon Nuclear Power Plant as part of their relicensing process. The bill would have required the Energy Commission to review the studies and allows the Energy Commission to contract seismic expertise for the review. The Energy Commission was to include the findings in its Integrated Energy Policy Report. PG&E would have been required to reimburse the Energy Commission for costs associated with the review. An existing CPUC rulemaking already allows PG&E to recover costs associated with the plants relicensing.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 42 without my signature.

This bill would require Pacific Gas & Electric Company (PG&E) to conduct seismic fault studies on the Diablo Canyon Nuclear Power Plant and the California Energy Commission, in consultation with the Department of Conservation's California Geological Survey and the Seismic Safety Commission, to perform a peer review of PG&E's work and include its finding in the Integrated Energy Policy Report.

In 2006, I signed into law AB 1632 (Chapter 766, Statutes of 2006), which required the Energy Commission to conduct a comprehensive study of the seismic vulnerability of Diablo Canyon, as well as other areas including plant-aging related plant degradation, impacts of a major disruption, economic and environmental policy issues, nuclear waste accumulation, land use and economic implications of onsite nuclear waste storage, alternative power generation options, and license renewal issues. The study subsequently recommended that PG&E should use three-dimensional geophysical seismic reflection mapping and other advanced techniques to explore fault zones near Diablo Canyon.

In 2007, the California Public Utilities Commission (CPUC) issued a General Rate Case Decision for PG&E (Decision 07-03-044), which approved PG&E's request for ratepayer funding for a license renewal feasibility study for Diablo Canyon. The CPUC's Decision also required that PG&E incorporate the Energy Commission's AB 1632 assessments in its license renewal feasibility study, and submit the study, along with an application, to the CPUC on whether to pursue license renewal for Diablo Canyon no later than June 30, 2011. Therefore, in light of the actions already taken by the CPUC and the Energy Commission on this matter, further legislative authorization is unnecessary.

For these reasons, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

AB 64 (Krekorian) - Energy: renewable energy resources: generation and transmission

Summary: This bill would have made programmatic changes necessary to implement new Renewables Portfolio Standard mandates that require all electricity providers to increase purchases to 33 percent by 2020. The Energy Commission, by July 1, 2010, is to update previously conducted studies relating to determining the effective load carrying capacity of wind and solar energy resources on the electrical grid. The bill would require the California Public Utilities Commission to use those values in establishing the contribution of those resources toward meeting specified resource adequacy requirements.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 64 without my signature.

I support the intent of this and other measures to increase California's Renewable Portfolio Standard (RPS) target to 33% by 2020. However, as drafted this measure would make it more difficult and costly to achieve this very important goal.

As a world leader in climate change and renewable energy development, California needs a regional approach that provides streamlined regulatory processes and compliance flexibility that facilitate the timely construction of in-state resources. This legislative package does the opposite: adds new regulatory hurdles to permitting renewable resources in the state, at the same time limiting the importation of cost-effective renewable energy from other states in the West.

On November 17, 2008, I issued Executive Order S-14-08, which sets a target that all retail sellers of electricity shall serve 33% of their load with renewable energy by 2020.

On September 15, 2009, in order to keep us moving forward, I directed California Air Resources Board (CARB), in Executive Order S-21-09, to adopt regulations that increase procurement of renewable resources in furtherance of the Global Warming Solutions Act of 2006 (AB 32, Statutes of 2006) and its emission reduction goals.

The CARB's scoping document for the Global Warming Solutions Act of 2006 determined that achieving 33% RPS is a critical component in the fight against global warming. I expect CARB to complete the regulations implementing the 33% RPS by the fall of 2010.

I remain ready to sign legislation that codifies a workable 33% RPS mandate. California has a rare opportunity to champion the development of renewable energy and reduce greenhouse gas emissions in-state and beyond. We must seize the chance to lay the foundation for a regional effort that optimizes resources throughout the West at a lower cost to ratepayers.

Sincerely,
Arnold Schwarzenegger

AB 828 (Lieu) - Green building standards

Summary: This bill would have required the Buildings Standards Commission to seek and respond to input from specified state agencies when developing green building standards and explicitly authorizes the Energy Commission to adopt voluntary green building standards.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 828 without my signature.

AB 828 is intended to require any state agency proposing green building standards to seek the input of other state agencies, environmental advocacy groups, the building construction and design industries, and other interested public parties. Also, the bill would require that green building standards be intended to protect the public's health and safety, minimize a building's impact on the environment through efficient use of natural resources, promote occupant health, and reduce strain on the local infrastructure while utilizing best available technology and building practices.

The California Building Standards Commission and other state agencies proposing building standards currently follow strict requirements for the development of all regulations, including building standards. Also, they utilize work groups and focus groups extensively in the development process. These meetings are open to all who want to participate.

In addition, the bill emphasizes that green building standards are to include, but not be limited to, site planning, water efficiency, energy efficiency, materials and resource efficiency, reduction of toxic chemicals, indoor air quality, and environmental quality. The state's current green building standards encompass these aspects of green building.

Because of this, I find the bill to be redundant of current regulatory development and adoption processes, and therefore unnecessary.

For this reason I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

AB 1006 (Buchanan) - State buildings: building locations: considerations

Summary: This bill would have required the Department of General Services to consider locations, potential workforce, and availability of public transit when considering the purchase or lease of a state building in excess of 10,000 square feet.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 1006 without my signature.

This bill requires the state to consider the residential location of the workforce to be housed in the building, giving a priority to areas that can demonstrate the highest reduction of miles traveled by its workforce. This bill is unnecessary, as the Department of General Services already considers a number of factors when considering where to locate a building. Further, I believe the highest priority for locating state buildings is, and should remain, the ability to provide services to the citizens of California.

For these reasons I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

AB 1173 (Huffman) - Hazardous materials: fluorescent lamps: recycling
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Summary: This bill would have prohibited the sale of luminaries and lighting fixtures that are intended for general lighting purposes and contain preheat ballasts for operation of preheat linear fluorescent lamps; require manufacturers of compact fluorescent lamps to establish recycling programs for recycling of residential fluorescent lamps; and require the California Integrated Waste Management Board to establish fees to be paid by the manufacturers of compact fluorescent lamps for the oversight and enforcement of their recycling programs.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 1173 without my signature.

This bill creates a new program for the recycling of certain residentially-generated fluorescent lamps. While I applaud the author's intent, this bill inappropriately links a waste and toxics reduction program to California's world-renowned energy efficiency efforts.

Current law requires the state's investor-owned and publicly-owned utilities to charge consumers a public goods charge and use a portion of the money collected on energy efficiency programs. One of those programs has traditionally been to incentivize the purchase of more energy-efficient compact fluorescent lamps (CFLs) by providing monetary incentives to both manufacturers and retailers to reduce the increased costs of CFLs to the consumer.

By tying CFL recycling mandates to a manufacturer or retailers' participation in CFL energy efficiency programs, this bill creates a reverse incentive that could force manufacturers and retailers to choose not to participate in either program. The result is no new improvement to CFL recycling and a potential increase in the costs of CFLs to consumers, which decreases CFL sales and undermines our energy-efficiency efforts.

For these reasons, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

AB 1404 (De Leon) - California Global Warming Solutions Act of 2006: offsets

Summary: This bill would have limited the use of "compliance offsets" to 10 percent of the greenhouse gas emission reductions expected from market mechanisms used to meet the greenhouse gas reduction goals of the Global Warming Solutions Act of 2006.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 1404 without my signature.

This bill limits a regulated entity's use of greenhouse gas (GHG) emission compliance offsets to no more than ten percent of its GHG reductions achieved through market mechanisms during any given compliance period.

This bill is premature and restricts the design approaches the Air Resources Board (ARB) is considering for cap-and-trade under the Climate Change Scoping Plan.

ARB is working diligently to craft the proper balance of regulatory and market mechanisms to achieve mandated emission reductions while protecting and enhancing California's economy. To that end, ARB has convened a panel of nationally recognized economic and financial experts to serve on the Economic and Allocation Advisory Committee to help design market-based compliance mechanisms as part of AB 32 (Chapter 488, Statutes of 2006) implementation.

A balanced approach is of vital importance and this bill would only serve to foreclose the opportunity to consider more options and fully vet the State's design of an effective compliance offset program.

For these reasons, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

AB 1527 (Lieu) - Motor vehicle emission reduction projects

Summary: This bill would have required the Air Resources Board to revise its current project guidelines for motor vehicle emission reduction; and would authorize additional funds to be included in the Carl Moyer Air Quality Standards Attainment program or the Goods Movement Emission Reduction program for emission reduction programs without these additional funds being factored into emission reduction cost-effectiveness calculations required by these two programs.

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 1527 without my signature.

This bill requires the California Air Resources Board (ARB) to revise the project guidelines for certain existing emission reduction incentive programs to allow the receipt of other state and federal funds to be used for projects without those additional funds being included in the cost-effectiveness calculations that are used to determine ARB funding eligibility.

This bill is unnecessary. ARB already has flexibility in existing law to develop revisions to their funding guidelines, and is currently developing revisions to the Proposition 1B guidelines that will allow selective use of funds from other programs to count as matching funds for eligible projects that achieve both emission reduction and climate change benefits.

Additionally, the current language of the bill would detrimentally relax the cost-effectiveness calculations for ARB's existing emission reduction incentive programs. This results in limited state funds for air quality improvements going towards fewer and potentially more costly projects that do not produce the quantity of air quality improvements we could see under the existing program.

I recognize that the author worked diligently to try to ensure that air quality improvements would not be diminished by the bill. I encourage the author to work with ARB as they undergo their current review of the Proposition 1B and Carl Moyer guidelines and, if additional legislation is needed, introduce a bill in the next session that achieves both ARB and the author's shared goals.

For these reasons, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

SB 14 (Simitian) - Utilities: renewable energy resources

Summary: This bill would have made programmatic changes necessary to implement new Renewables Portfolio Standard mandates that require all electricity providers increase purchases to 33 percent by 2020. Amongst other things, the Energy Commission was to report to the Legislature by May 31, 2010, whether out-of-state, run-of-river hydroelectric generating facilities should be considered renewable electric generating facilities; design and implement an accounting system to verify compliance with the Renewables Portfolio Standard requirements by retail sellers and publicly-owned utilities; and adopt regulations specifying procedures for enforcement of the Renewables Portfolio Standard requirements that include a public process under which the Energy Commission is authorized to issue a notice of violation and correction with respect to a local publicly-owned electric utility and for referral to the Air Resources Board for penalties imposed pursuant to the California Global Warming Solutions Act of 2006.

Governor's Veto Message:

To the Members of the California State Senate:

I am returning Senate Bill 14 without my signature.

I support the intent of this and other measures to increase California's Renewable Portfolio Standard (RPS) target to 33% by 2020. However, as drafted this measure would make it more difficult and costly to achieve this very important goal.

As a world leader in climate change and renewable energy development, California needs a regional approach that provides streamlined regulatory processes and compliance flexibility that facilitate the timely construction of in-state resources. This legislative package does the opposite: adds new regulatory hurdles to permitting renewable resources in the state, at the same time limiting the importation of cost-effective renewable energy from other states in the West.

On November 17, 2008, I issued Executive Order S-14-08, which sets a target that all retail sellers of electricity shall serve 33% of their load with renewable energy by 2020.

On September 15, 2009, in order to keep us moving forward, I directed California Air Resources Board (CARB), in Executive Order S-21-09, to adopt regulations that increase procurement of renewable resources in furtherance of the Global Warming Solutions Act of 2006 (AB 32, Statutes of 2006) and its emission reduction goals.

The CARB's scoping document for the Global Warming Solutions Act of 2006 determined that achieving 33% RPS is a critical component in the fight against global warming. I expect CARB to complete the regulations implementing the 33% RPS by the fall of 2010.

I remain ready to sign legislation that codifies a workable 33% RPS mandate. California has a rare opportunity to champion the development of renewable energy and reduce greenhouse gas emissions in-state and beyond. We must seize the chance to lay the foundation for a regional effort that optimizes resources throughout the West at a lower cost to ratepayers.

Sincerely,
Arnold Schwarzenegger

SB 62 (Simitian) - Renewable energy resources

Summary: This bill was a clean-up measure to SB 14 (Simitian, 2009). This bill would have changed the date by which a utility must procure 20 percent eligible renewable resources from December 31, 2012, as stated in SB 14, to December 31, 2013.

Governor's Veto Message:

To the Members of the California State Senate:

I am returning Senate Bill 62 without my signature.

I support the intent of this and other measures to increase California's Renewable Portfolio Standard (RPS) target to 33% by 2020. However, as drafted this measure would make it more difficult and costly to achieve this very important goal.

As a world leader in climate change and renewable energy development, California needs a regional approach that provides streamlined regulatory processes and compliance flexibility that facilitate the timely construction of in-state resources. This legislative package does the opposite: adds new regulatory hurdles to permitting renewable resources in the state, at the same time limiting the importation of cost-effective renewable energy from other states in the West.

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The CARB's scoping document for the Global Warming Solutions Act of 2006 determined that achieving 33% RPS is a critical component in the fight against global warming. I expect CARB to complete the regulations implementing the 33% RPS by the fall of 2010.

I remain ready to sign legislation that codifies a workable 33% RPS mandate. California has a rare opportunity to champion the development of renewable energy and reduce greenhouse gas emissions in-state and beyond. We must seize the chance to lay the foundation for a regional effort that optimizes resources throughout the West at a lower cost to ratepayers.

Sincerely,
Arnold Schwarzenegger

SB 279 (Hancock) - Local government: community facilities districts

Summary: This bill would have expanded the Mello-Roos Community Facilities Act of 1982 to add the acquisition, installation, and improvement of energy efficiency, renewable energy, and water conservation improvements on real property that can be financed or refinanced by a community facilities district. This bill would have also required the resolution of intention and the resolution of formation to include a statement that the rate shall be established in an amount required to finance or refinance the authorized improvements, and to pay the community facilities district's administrative expenses.

Governor's Veto Message:

To the Members of the California State Senate:

I am returning Senate Bill 279 without my signature.

As I stated when vetoing an identical bill last session, I support the use and inclusion of energy efficiency products for homes in our state. However, by allowing Mello-Roos taxes to be imposed on homeowners to finance energy efficiency improvements, this bill would represent a fundamental shift in the purpose of Mello-Roos taxes, which are intended to finance core infrastructure needs such as roadways, sewers, and street lighting. This is a shift that I cannot support.

For these reasons, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

SB 406 (DeSaulnier) - Land use: environmental quality

Summary: This bill would have authorized additional responsibilities and change the membership of the Planning Advisory and Assistance Council within the Governor's Office of Planning and Research and authorize the Department of Motor Vehicle to impose an additional fee for vehicles registered in certain jurisdictions to develop environmental and regional plans and strategies that address energy and climate change goals.

Governor's Veto Message:

To the Members of the California State Senate:

I am returning Senate Bill 406 without my signature.

Reducing greenhouse gas emissions is of utmost priority in my administration and is essential for achieving California's climate change goals. However, this bill would authorize a municipal planning organization, a council of governments, or a county transportation commission and a sub-regional council of governments, by resolution, to impose a new fee on motor vehicles registered in their jurisdiction. As I have said in prior veto messages, such an increase should be subject to voter approval.

For this reason, I am unable to sign this bill.

Sincerely,
Arnold Schwarzenegger

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